

# METER RELACEMENT PROJECT

## FREQUENTLY ASKED QUESTIONS

### **Why is the City of Mount Vernon Doing this project?**

In the past two decades the city faced two major challenges. The first was the city's aging infrastructure as it relates to the water department. This has resulted in boil orders and low pressure. The other challenge has been that needed maintenance has not been done. Costs to maintain the aging infrastructure have risen significantly and there are not funds readily available to improve the system. Critical water systems have eroded and the cost to deliver quality water services to residents is increasing. By capturing the lost revenue from the water delivery system, those enterprise dollars can be used to fund other infrastructure needs in the utility as explained below.

### **Why would a city need water meter improvements?**

Over time, metering systems and other utility infrastructure deteriorate and become less efficient. Meters become less accurate, which almost always results in the under billing of the consumer and lost revenues to the city's utilities. Leaks in the delivery system also take their tolls on water department revenues. Undetected leaks can cost the water department hundreds of thousands of dollars over time. The additional revenue enables the city to go from a reactive maintenance schedule to a proactive maintenance schedule saving taxpayers additional dollars. Under a performance contract, a utility can capture lost revenues and the costs of operational inefficiencies, and redirect them toward making improvements to its systems. This is an opportunity for the utility to upgrade infrastructure without burdening the taxpayers with rate increases, tax hikes or expensive bonding.

It is proven that a new AMR (automated meter reading) system will improve customer service dramatically. The system has the capability of flagging citizens with abnormally high water bills. In other words the system can spot leaks at a citizens residences in real time. A customer service rep can then alert the

homeowner. The city can cite numerous instances where a citizen received a high bill because they were unaware of a leak at the home. In a recent case a citizen came home from vacation to find that a leak in her home caused an \$8,000 bill! These instances will be avoided in the future.

**I'm on a fixed income. How much can I expect my bill to go up?**

Nearly all of our customers that receive a minimum monthly bill will see no change at all. Our other customers should only see an increase of a couple of dollars each month. However, if you currently use a lot of water and only receive a minimum bill, you can expect a more accurate bill in the future. So unless you waste a lot of water, don't expect your bill to skyrocket.

**What if I do not want my meter changed out?**

The intent of this project is to ensure that all residents of the City are billed fairly and efficiently. The current system does not provide this. The co-operation of all residents will be required to ensure the success of this very exciting time. This project is critical in retaining current residential, commercial and industrial customers as well as attracting new ones in the fiercely competitive world of maintaining or growing a City's tax base and resultant economy.

**Is Johnson Controls taking over the Water Works?**

Absolutely not! JCI is working with Superintendent Gray to fix some of the many problems associated with the Mt. Vernon Water Utility. This project is a good example of some of the "out of the box" thinking being used to fix your utility while at the same time avoiding a costly rate hike.

**Does the savings model take the reduction of city workers as a savings?**

**How City Workers will lose their jobs due to the project?**

The savings model is based on the natural attrition of city workers. Workers will not be displaced as a result of the project.

**How many local people will be hired to help with the project?**

Johnson Controls will hire 2 – 5 local union employees to implement the water meter AMR project. Johnson Controls corporate philosophy is to try to put project dollars back into the community.

**How will the project affect the unions?**

Johnson Controls recognizes the value of unions. We employ over 40,000 union employees and have had an outstanding partnership with all unions represented within Johnson Controls.

**Why is the Utility spending \$1 million on this project when we are talking about how the utility is losing money?**

The Water Utility Board has made the decision to spend \$1 million to save \$3 million. Johnson Controls is guaranteeing to the city that the project will perform at a level beyond its current levels and will **pay for itself** over time. A good analogy would be the energy savings a homeowner would capture by insulating their home. After a certain period of time the savings pay for the insulation. The performance is guaranteed under state mandated performance contracting legislation. Performance contracting allows the improvements to be paid for while the savings are occurring so that the municipal utility does not have to come up with the capital before the project is completed.

**What can Johnson Controls do for its state and local government customers?**

Johnson Controls provides infrastructure improvements with economic impact. The company helps state and local government customers renew infrastructure while increasing cash flow. Its solutions can help extend the life of and improve the performance of infrastructure and facilities, as well as minimize lifecycle costs. Johnson Controls evaluates and can guarantee the benefits the improvements generate, which may allow improvements to essentially pay for themselves.

### **What is a performance contracting?**

A performance contract with Johnson Controls provides **guaranteed** benefits from increased billable usage, operational, environmental and infrastructure improvements that can pay for upgrades and renovations. A performance contract is an opportunity to create a positive financial impact in an organization through the use of technology and a lifecycle procurement mentality. It sometimes also includes specific goals such as improving the local economy, improving diversity and adopting green initiatives.

Performance contracts include both facility and infrastructure improvements. Facility improvements include mechanical and electrical systems, lighting and lighting controls, energy management and information systems, and improvements to items such as roofing, windows and insulation. Infrastructure improvements include central utility plants; traffic, street and airfield lighting; meter replacements and automated reading systems; and water and wastewater facilities.

### **How do you implement a performance contract?**

A city audit is conducted to identify and analyze opportunities to save utility and operational costs through improved building operations, water and electric delivery, and maintenance methodologies. Based on the results, recommended improvements pay for the project over an extended contract period through savings and a reduction of operational costs.

### **How can Johnson Controls guarantee results?**

Johnson Controls has executed over 2,500 Performance Contracts having guaranteed results worth over \$18 Billion. Our customers have the experience and the backing of a \$32B company that will ensure the success of any project that we put together. If the municipal utility falls short of the contracted project benefit, then Johnson Controls will write a shortfall check.

**How long will the project take to deploy?**

To ensure the projects success, it will be executed in a few months. This will allow for maximum capture of benefits while allowing sufficient time to methodically install the new systems.

**How will Johnson Controls employees be identified?**

Johnson Controls employees will have Johnson Controls shirts and security badges issued by the City. Construction and survey vehicles will also be properly identified. The proper identification will be provided to Johnson Controls by the City and the residents will be informed to avoid issues during installation.

**How long will it take to change my meter?**

Depending upon meter location, the change-out of a water and electric meter should take between 20 minutes and 1 hour.

**How will I be notified that Johnson Controls will be changing my meter?**

Johnson Controls and the city will be notifying you by mail, door hangers, newspaper, and radio.

**Who do I call if I have Questions or problems?**

Johnson Controls has a fully staffed problem resolution hotline staffed on Monday through Friday from 8am-5pm assuring that issues will be resolved promptly. Call 838-8718